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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors

** All papers shall be filed in the Lead
Case, No. 19-30088 (DM).*

Case No. 19-30088 (DM)

Chapter 11
(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' STATUS
CONFERENCE STATEMENT REGARDING
MOTION FOR RELIEF FROM PLAN
INJUNCTION AND OBJECTION TO CLAIM
OF FULCRUM CREDIT PARTNERS, LLC**

[Related to Docket Nos. 11066, 11288]

Date: November 9, 2021

Time: 10:00 a.m. (Pacific Time)

Place: By Zoom Videoconference Only
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 In advance of the November 9, 2021, 10:00 a.m. omnibus hearing (the “**Status**
2 **Conference**”), PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the
3 “**Utility**”), as debtors and reorganized debtors (collectively, the “**Debtors**” or the “**Reorganized**
4 **Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), hereby submit this
5 status conference statement in connection with the *Reorganized Debtors’ Objection to Proof of*
6 *Claim No. 58562 Filed by Fulcrum Credit Partners LLC as Transferee of Tuscan Ridge Associates,*
7 *LLC* [Docket No. 11288] (the “**Objection**”) and the *Motion for Relief from Plan Injunction, to*
8 *Compel Arbitration and/or for Abstention* [Docket No. 11066] (the “**Motion**”) filed by Fulcrum
9 Credit Partners LLC (“**Fulcrum**”) as transferee of Proof of Claim No. 58562 filed by Tuscan Ridge
10 Associates, LLC¹.

11 The Reorganized Debtors received the *Status Report by Fulcrum Credit Partners, LLC and*
12 *Tuscan Ridge Associates, LLC* [Docket No. 11543] (the “**Fulcrum Status Report**”), filed earlier on
13 this date, as well as the Court’s Docket Text Order entered this afternoon (the “**Docket Text**
14 **Order**”), which tentatively approved the proposed stipulation attached as Exhibit A to the Fulcrum
15 Status Report (the “**Fulcrum Proposed Stipulation**”).

16 As Fulcrum notes in the Fulcrum Status Report, the parties met and conferred regarding
17 scheduling, but the Reorganized Debtors did not agree to the Fulcrum Proposed Stipulation.

18 The parties met and conferred on November 1, 2021, regarding a proposed discovery
19 schedule and order of proceedings, and counsel for Fulcrum agreed to draft the initial stipulation
20 following the parties’ discussion. On November 4, 2021, Fulcrum’s counsel proposed the Fulcrum
21 Proposed Stipulation, which contained certain new provisions that the parties had not discussed, and
22 PG&E’s counsel responded on November 5, 2021, with a revised proposed stipulation. A clean
23 version of PG&E’s revised proposed stipulation is attached hereto as **Exhibit A** (the “**Revised**
24 **Proposed Stipulation**”), and a redline comparison of the Fulcrum Proposed Stipulation and the
25 Revised Proposed Stipulation is attached hereto as **Exhibit B**. PG&E’s counsel was unable to reach
26 Fulcrum’s counsel by phone to finalize the stipulation and remains available through the weekend

27 ¹ Capitalized terms used but not defined herein have the meanings ascribed to them in the Objection
28 or the *Reorganized Debtors’ Opposition to Motion for Relief from Plan Injunction, to Compel*
Arbitration and/or for Abstention [Docket No. 11263] (the “**Debtors’ Opposition**”), as applicable.

1 and Monday to meet and confer.

2 The attached Revised Proposed Stipulation has been revised to provide for a phased and
3 orderly proceeding of the litigation. The Revised Proposed Stipulation allows for the Court's
4 determination of legal and factual issues based on the Evidentiary Hearing before an arbitrator is
5 asked to estimate costs, which may be limited or unnecessary depending on the Court's
6 determination of issues. The phased proceeding will serve the interests of justice and conserve
7 resources.

8 Tellingly, Fulcrum's own preamble to the Fulcrum Proposed Stipulation states that the
9 purpose of the stipulation is to modify the Plan Injunction "solely in the event that the Bankruptcy
10 Court determines that the Utility is liable, in whole or part, on a claim held by Fulcrum as assignee
11 of Tuscan Ridge, and solely to permit the Parties to arbitrate the issue of the cost of any restoration
12 for which the Utility is liable, **following** the Bankruptcy Court's determination." Fulcrum Proposed
13 Stipulation, preamble (emphasis added). PG&E's revisions reflected in the Revised Proposed
14 Stipulation are consistent with that stated purpose.

15 The additional time built into the Revised Proposed Stipulation (approximately 30 days)
16 takes into account that evidence must be sought from third parties, including contractors, tenants,
17 and agents of Tuscan Ridge Associates, in addition to the information that was previously requested
18 from Tuscan Ridge Associates but not yet received. The discovery will include (a) written discovery
19 to Tuscan Ridge Associates, including but not limited to discovery regarding the use, operations,
20 conditions, infrastructure, maintenance, and occupancy of the premises; employees, contractors,
21 occupants, and users of the premises; and contracts, agreements, records, and accountings during
22 relevant periods; (b) depositions and deposition subpoenas requesting documents served on agents,
23 representatives, contractors and employees of Tuscan Ridge Associates, users of the Tuscan Ridge
24 Associates premises, and entities with relevant contracts related to the premises; and (c) discovery of
25 expert reliance materials, writings, and opinions.

26 As stated above, the Reorganized Debtors remain available to meet and confer with counsel
27 for Fulcrum. If the parties are unable to agree on a stipulation, the Reorganized Debtors look
28 forward to discussing with the Court at the Status Conference further proceedings with respect to the

1 Motion and Objection, as indicated in the Docket Text Order.

2
3 Dated: November 5, 2021

KELLER BENVENUTTI KIM LLP
GOUGH & HANCOCK LLP

4
5 /s/ Jane Kim

6 Jane Kim

7 *Attorneys for Debtors and Reorganized Debtors*
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